



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 22, 2003

### **S. 1402**

### **Federal Railroad Safety Improvement Act**

*As ordered reported by the Senate Committee on Commerce, Science,  
and Transportation on July 17, 2003*

#### **SUMMARY**

S. 1402 would authorize the appropriation of \$919 million over the 2004-2008 period for the Federal Railroad Administration's (FRA's) safety and research programs. The bill also would require FRA to recommend ways to lessen railroad workers' fatigue, survey the condition of railroad bridges, study the impact that blocked highway-railroad crossings have on the ability of emergency responders to perform their duties, and develop regulations to require railroads to immediately notify emergency medical, fire, and law enforcement personnel that their communities lie in the path of a runaway train.

Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$865 million over the 2004-2008 period. Enacting S. 1402 would have no effect on direct spending or revenues.

S. 1402 would impose both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the direct costs of those mandates would not exceed the annual threshold established in UMRA for intergovernmental or private-sector mandates (\$59 million and \$117 million in 2003, respectively, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1402 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
FRA Safety and Research Spending						
Under Current Law						
Budget Authority <sup>a</sup>	145	0	0	0	0	0
Estimated Outlays	149	36	5	3	0	0
Proposed Changes						
Estimated Authorization Level	0	168	176	185	192	200
Estimated Outlays	0	131	167	179	190	198
FRA Safety and Research Spending						
Under S. 1402						
Estimated Authorization Level <sup>a</sup>	145	168	176	185	192	200
Estimated Outlays	149	167	172	182	190	198

a. The 2003 level is the amount appropriated for that year for FRA safety and research activities.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1402 will be enacted near the end of fiscal year 2003 and the authorized amounts will be appropriated each year. Estimates of outlays are based on information from FRA and historical spending patterns of similar programs.

Based on information from FRA, CBO estimates that preparing the reports and regulations required by the bill would cost about \$2 million. For this estimate, CBO assumes that such funds would be appropriated in 2004. Those costs are in addition to the \$919 million that the bill would authorize for the agency's safety and research programs over the next five years.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1402 would impose both intergovernmental and private-sector mandates as defined in UMRA. CBO estimates that the direct costs of those mandates would not exceed the annual threshold established in UMRA for intergovernmental or private-sector mandates (\$59 million and \$117 million in 2003, respectively, adjusted annually for inflation).

## **Joint Mandate**

The Department of Transportation (DOT) maintains information collected from states and railroad carriers on the location, physical characteristics, and other features of highway-railroad crossings in the National Crossing Inventory. Currently, state governments and railroad carriers provide this information voluntarily. Section 201 would make such reporting mandatory. State governments and railroad carriers would be required to submit initial reports to the Inventory about new and previously unreported crossings and provide periodic updates and change-of-ownership reports, if applicable, for all crossings. Based on information from government and industry sources, CBO estimates that the incremental costs to submit the information required under the bill would be small.

States would benefit from other provisions of the bill, including an increase in the federal aid states can distribute to local governments for the highway-rail safety program.

## **Additional Private-Sector Mandate**

The bill would impose an additional mandate on the private sector. Section 305 would require railroad carriers to immediately notify first responders (including fire, emergency medical service, and law enforcement personnel) that their communities lie in the path of a runaway train. Railroad carriers also would be required to report each incident of a runaway train to DOT. In addition the bill would require railroad carriers to submit to DOT for approval their plans for providing the required notices of an occurrence of a runaway train.

According to industry sources, most railroad carriers currently have procedures in place to notify first responders and provide such notices as soon as possible. Further, few trains are involved in runaway incidents annually. Thus, CBO estimates that the cost to comply with this mandate would be small.

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